

RESOLUTION ON SPECIAL PILT FUND

WHEREAS, recent court decisions have placed in jeopardy county receipt of Payment in-Lieu-of Taxes monies (PILT); and

WHEREAS, counties are the principal providers of a broad range of services at the local level of government; and

WHEREAS, counties are mandated to provide these direct services at the local level, such as highway and road maintenance, fire and police protection, and health services; and

WHEREAS, if these lands were not publicly held and tax exempt, revenues for counties would be available for these purposes; and

WHEREAS, key congressional officials have recently stated that it was congressional intent that PILT monies go to the local provider of direct services (counties); and

WHEREAS, an equitable resolution of this problem will require financial resources outside of the regular NACo budget;

NOW THEREFORE BE IT RESOLVED, that the National Association of Counties Board of Directors provide for the establishment of a Public Lands trust fund to be managed by the NACo Executive Director for the purpose of promoting the interests of counties as they relate to Federal Public Lands.

AND BE IT FURTHER RESOLVED, that all funds received for this purpose be deposited in said Trust Fund Account, and

BE IT FURTHER RESOLVED, that the President of NACo create a committee to advise the Executive Director in this regard -- which shall include, but not be limited to: (1) the Chairman of the NACo Public Lands Steering Committee; (2) the President of the Western Interstate (WIR) Region; (3) the Chairman of the NACo Public Lands Steering Committee Subcommittee on PILT; (4) a state association executive director from any one of the states where counties receive PILT payments.

Passed and Adopted this 22nd day of March, 1983, by the Navajo County Board of Supervisors.

APPROVED:

Willard Guttery
Willard Guttery, Chairman

ATTEST:

Sharon R. Keene
Sharon R. Keene, Clerk



ARIZONA ASSOCIATION OF COUNTIES

1820 WEST WASHINGTON STREET
PHOENIX, ARIZONA 85007
PHONE (602) 252-6563

RICHARD W. CASEY
EXECUTIVE DIRECTOR

RECEIVED
1983 MAR 18 AM 10:04
NAVAJO COUNTY BOARD
OF SUPERVISORS

March 16, 1983

Willard Guttery
Chairman of the Board
Navajo County
Governmental Complex
Holbrook, Arizona 86025

Dear Willard:

A recent federal court case has thrown PILT into a state of turmoil. Essentially, the Sixth Circuit Court of Appeals in Meade Township v. Andrus ruled that BLM must distribute PILT payments to Michigan townships rather than to counties. By logical extension then, townships (and possibly other local governments) could become the primary recipients of PILT. Twenty states have township governments, numbering 17,000 compared to 3,000 counties nationwide.

But exactly what does this mean to Arizona counties, and why? It means significantly less money to Arizona counties. The bulk of PILT money is based on the greater of either the entitlement acreage times 75¢, less other federal land payments made to the county the prior year; or entitlement acreage times 10¢. A cap based on population applies for both computations.

This same distribution formula when applied to townships will give the collective townships within counties which have them proportionately more than was previously given to the county.

This is because: 1.) the formula population cap limits many Western counties which have sparse populations and vast acreage to their maximum payments, while Eastern townships have denser populations and few acres and could enjoy the full payment available under the formula, and 2.) townships receive little or no other federal land payments to be deducted, as opposed to counties which receive other land payments such as forest and timber fees. So, even though funding itself is not reduced, the redistribution of available funds will substantially reduce funding to Arizona counties.


APACHE	COCHISE	COCONINO	GILA	GRAHAM	GREENLEE	MARICOPA
MOHAVE	NAVAJO	PIMA	PINAL	SANTA CRUZ	YAVAPAI	YUMA

Chairman of the Board
March 16, 1983
Page 2

Enclosed is a fact sheet and a NACo resolution. Counties receiving PILT are being asked to contribute \$150 to a special NACo trust fund to fight for county interests in preserving the present PILT distribution. The resolution should be approved and returned to NACo with the \$150 payment.

I urge you to bring this item up at your next board meeting. If you need further details please call me.

Respectfully,


Richard W. Casey
Executive Director

pp
Enclosures

PUBLIC LANDS TRUST FUND FACT SHEET

The Decision (Meade Township v. Andrus)

- Sixth Circuit Court of Appeals ruled PILT payments go to smaller unit of local government when two units of local government have concurrent jurisdiction over federal lands
- Bureau of Land Management (BLM) erroneously applied "principal provider of services" test in its regulations to determine which local government receives PILT payments. BLM must rewrite regulations for "smaller" unit.

Nationwide Impact of Decision

- Greater BLM administrative costs and larger group of recipients will reduce every recipient's PILT payments.
- BLM has no way to calculate acreage and population for units smaller than counties; and many of these units will not meet minimum payment requirements.
- The population of smaller units will be subtracted from the county in which they are located, further reducing that county's PILT payment.
- BLM estimates it will take several years to make new payment calculations, and will probably put the 1983 PILT appropriation in escrow. Funds not paid by the end of the fiscal year will revert to U.S. Treasury.
- Smaller units could ask for retroactive payments with interest.

Anticipated Action

- Potential U.S. Supreme Court review of Meade Township.
- BLM will revise its PILT regulations under Court decision.
- There will be additional suits throughout the country, and is already a new one in Pennsylvania.
- Concerted nationwide lobbying effort necessary for legislation to amend PILT Act.
- All these activities will incur considerable costs.

Public Lands Trust Fund

- Each PILT county asked to contribute \$150.
- NACo Executive Director will administer Fund with advisory committee appointed by NACo President:
 - Chairman, NACo Public Lands Steering Committee;
 - President, Western Interstate Region;
 - Chairman, Subcommittee on PILT;
 - State Association Executive from a PILT state
- Trust fund account will be for purpose of saving PILT only and not subject to attachment from other sources.
- State associations will disseminate information to PILT counties in their states
- Counties will send \$150 to either their state association or NACo, depending upon state law

3/8 cc Board packet
Ed pa

MAR 22 '83



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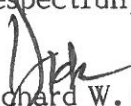
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